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Constitlett at Law

Direct Diel Phone:

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February 18, 2000

VIA TELECOPY

Nancy Ovnka
Federal Trade Commission
Washington, DC 20580

Re: Professional Employee Leasing Entity

Dear Nancy:

This letter will confirm our several prior conversations. I had indicated to you that we represent a shareholder in an emity (the "Purchaser") whose business is professional employee leasing. At Thanksgiving time, the Purchaser acquired a similar business. We did not represent either the Purchaser or the seller in that transaction but post-closing our client, the shareholder, and the Purchaser, asked us to review the transaction for compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR").

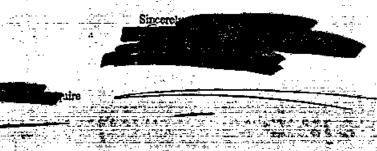
Based upon our review, we determined that the key to whether the transaction should have been reportable was whether the Purchaser was a \$100 million person for purposes of HSR.

Lexplained to you in a number of conversations that the professional employee service business in essence "rents" employees to third parties. In return, the professional employee service companies receive payments, part of which simply are flow-through dollars which are paid to the "rented" employees for salaries and other benefits and the balance is controllable revenues. Furthermore, I indicated to you that the Purchaser posintained its regularly prepared income statement reflecting non-controllable revenues and controllable revenues. The difference between the two numbers is the flow-through payments to employees.

Based upon the foregoing, including a review by you of an income statement from November, 1999 when the transaction was completed, you confirmed with me that the Purchaser would not be deemed a \$100 million person for purposes of HSR.

Nancy Ovuke February 18, 2000 Page 2

I appreciate all your assistance in this matter and thank you for permitting me to confirm our various conversations.



The income statement clearly shows the entity's true revenue is neceived payments

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